

# SUBCOMMITTEE 5

## FINAL ACTION REPORT

Senate Budget and Fiscal Review

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# SUBCOMMITTEE No. 5

PUBLIC SAFETY, LABOR, and VETERANS AFFAIRS

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## PUBLIC SAFETY AND CRIMINAL JUSTICE

### **0550 YOUTH AND ADULT CORRECTIONAL AGENCY (YACA)**

- Approved a Finance Letter proposal to combine the programs of this agency into the new Department of Corrections and Rehabilitation, starting July 1, 2005. Budget Item 0550 has been deleted and the funding and programs have been included within Budget Item 5225 for the Department of Corrections and Rehabilitation.

### **0552 OFFICE OF THE INSPECTOR GENERAL (OIG)**

- Approved \$3.6 million GF and 23 positions based on new workload adjustments for the OIG budget.
- Approved \$3.0 million and 19 positions to provide staff and resources to support additional workload resulting from the Youth and Adult Correctional Agency (YACA) Reorganization.
- Approved Budget Bill language requiring unspent funds from the augmentations for workload and the YACA Reorganization to revert to the General Fund.

### **0690 OFFICE OF EMERGENCY SERVICES**

- Approved reduction of \$2.1 million to various local assistance grant programs. Specifically, the proposal eliminates funding for the following programs: Community Crime Resistance Program (\$231,000); Career Criminal Apprehension Program (\$866,000); Serious Habitual Offender Program (\$137,000); Vertical Defense of Indigents (\$172,000); and Drug Abuse Suppression in Schools Program (\$690,000). Restored \$1.9 million to fund the Rural Crime Prevention Program at \$3.3 million and augmented by \$300,000 for rural crime prevention in Monterey County.
- Approved a proposal for \$1.8 million (federal funds and special funds) and 19 limited-term positions to manage current and future federal homeland security grants.
- Approved a Finance Letter proposal for \$35 million to provide funding for the estimated costs of response and recovery from recent federally-declared disasters.
- Approved a Finance Letter proposal for \$5 million GF to purchase new fire engines for mutual aid response.
- Approved \$7.4 million in federal funds and 21 positions for additional support of Office of Homeland Security activities. Also approved \$139 million in federal funds for additional homeland security grants.

- Rejected Budget Bill and trailer bill language to establish the Office of Homeland Security as a separate department.

## **1870 VICTIM COMPENSATION AND GOVERNMENT CLAIMS BOARD**

- Approved as budgeted.

## **5225 DEPARTMENT OF CORRECTIONS AND REHABILITATION**

- Approved a Finance Letter proposal to create the new Department of Corrections and Rehabilitation by combining the programs of the Secretary for Youth and Adult Corrections (0550), the Department of Corrections (5240), the Board of Corrections (5430), the Board of Prison Terms (5440), the Department of the Youth Authority (5460), and the Commission on Correctional Peace Officer Standards and Training (5480), starting July 1, 2005. Budget Items for those agencies have been deleted and the funding and programs have been included within Budget Item 5225 for the Department of Corrections and Rehabilitation.

### **Adult Operations/Programs**

- Approved a proposal for an increase of \$7.5 million to reimburse local entities for the prosecution of crimes committed by inmates while incarcerated in the state correctional system.
- Approved a proposal for \$956,000 and 8 half-time Jewish chaplain positions for equipment, food, and feeding materials to implement and maintain a statewide Jewish Kosher Meal Program in adult prisons as a result of a federal court order. Total on-going costs for the program will be approximately \$2 million.
- Approved authority to establish 53.5 two-year limited-term pharmacy technician positions in adult institutions to be used in place of contract registry positions. These positions would be funded through redirection of existing funds.
- Approved a proposal for \$9.8 million GF and 145.7 new positions to fund post relief for increased sick leave use and training requirements for registered nurses, supervising cooks, and Medical Technical Assistants (MTAs) at adult institutions. Also approved a Finance Letter proposal for a \$2.9 million GF decrease to reflect a correction in the number of supervisory cooks.
- Approved a proposal for \$2.6 million and 32 positions to provide supervision of inmate grounds-keeping crews.
- Approved \$2 million and 20 positions to staff Employee Relations Offices uniformly across adult prisons.
- Approved a reduction of \$300,000 to reclassify 25 headquarters peace officer positions, and adopted Supplemental Report language directing the department to report on the conversion of peace officer positions in headquarters and regional offices.

- Approved a proposal for \$35 million GF for salary savings adjustments and adopted Budget Bill language requiring the department to revert any funds not used to fill specified positions.
- Approved \$2.6 million GF to implement DNA testing consistent with Proposition 69, a reduction of \$948,000 from the original request.
- Approved \$34.8 million GF for a price increase, a reduction of \$7.3 million from the original request.
- Approved a Finance Letter reduction of \$1.4 million related to estimated energy savings from two energy projects.
- Approved a Finance Letter proposal for \$1.1 million GF to fund recruitment and retention pay differentials for mental health positions at 12 institutions, in order to comply with a court order issued in the *Coleman* lawsuit.
- Approved a Finance Letter proposal for \$4.1 million GF to implement revised guidelines for additional mental health staff in Administrative Segregation Units and Security Housing Units at Corcoran State Prison, in order to comply with a court order issued in the *Coleman* lawsuit.
- Approved a May Revise Finance Letter proposal for an additional \$86.1 million (\$85.4 million GF) to reflect revisions in the projected growth in the adult inmate and parole populations. The budget includes a total of \$338.6 million GF above the amount funded in the 2004 Budget Act due to increases in the estimated growth in the adult inmate and parole populations. A significant portion of the increase was due to implementation delays of parole reforms from the past two years.
- Approved a proposal for \$29.1 million GF to increase the number of Basic Correctional Officer Academy cadets from 640 to 1,920 annually.
- Approved a Finance Letter proposal to restore \$51.2 million of the \$95 million unallocated reduction proposed for inmate and parolee programs. The revised reduction of \$44.1 million was allocated by eliminating and reducing a number of intermediate sanction and parole programs. Also adopted Budget Bill language requiring the department to report quarterly on the implementation of various parole programs and on the estimated fiscal impacts of the programs.
- Approved an augmentation of \$7.5 million GF to expand and improve parole and inmate programs that are evidence based. Also adopted Budget Bill language requiring the department to provide the Legislature with detailed plans prior to expending these funds.
- Approved an augmentation of \$13.3 million and 88.5 positions to implement improvements in the dental program at adult prisons.
- Approved a Finance Letter proposal for \$5.8 million GF and 46 positions to increase staff, improve staff and inmate safety, and address critical physical plant deficiencies at the California Institution for Men, Chino.
- Approved \$4.9 million for Phase III of a Pharmacy Health Care Management System.

- Rejected a Finance Letter proposal for \$12 million GF for preliminary plans for a new mental health facility at California Institution for Men, Chino, and a Finance Letter for \$3.3 million for a study of a new mental health facility at California Men's Colony, San Luis Obispo. These are two of three new facilities that the department is proposing to build. The three facilities would house approximately 6,000 inmates and would cost an estimated \$1.4 billion to construct.
- Adopted Budget Bill language directing the department to report to the Legislature on "high risk" information technology projects, requires the Department of Finance to perform an assessment of the department's information technology activities, and requires the department to prepare a corrective action plan based on the findings of the assessment.

### **Juvenile Operations/Programs**

- Approved \$1.2 million General Fund to develop a plan for reforming the juvenile justice system. Also approved Budget Bill language restricting the use of the funds and requiring the department to report quarterly on the progress made in developing the plan.
- Approved a Finance Letter proposal for a reduction of \$3.3 million (all funds) to reflect revisions in the projected growth of ward and parole populations. This decrease is composed of a decrease of \$3.6 million Proposition 98 and a decrease of \$9.8 million in reimbursements and is offset by an increase of \$10.1 million GF.
- Approved a Finance Letter proposal for an increase of \$25 million GF and a decrease of \$25 million in reimbursements to reflect the permanent change of budgeting the amounts received from the counties as revenues instead of reimbursements.
- Approved a Finance Letter proposal for an increase of \$6.6 million GF and 66 positions to augment the funding provided for relief of posted positions. This increase is primarily attributable to an increase in the relief needed to fund the accrual amounts for vacation and sick leave for posted positions.
- Approved a Finance Letter proposal for an increase of \$1.4 million GF to backfill the loss of federal funds previously used to fund substance abuse treatment programs.
- Approved \$23.9 million GF (\$14.8 million Proposition 98) to fund four remedial plans related to the *Farrell* settlement. The funding includes: \$17.1 million GF (\$14.8 million Proposition 98) and 208 positions for the Education Remedial Plan; \$1.2 million and 14 positions for the Interim Mental Health Remedial Plan; \$2.5 million and 19 positions for the Sex Offender Treatment Remedial Plan; and \$3.1 million and 12 positions for the Disability Remedial Plan. Also approved supplemental report language directing the department to report on implementation of the remedial plans.
- Approved a Finance Letter proposal for an increase of \$1.1 million GF to update the Ward Information Network information technology system.
- Approved a Finance Letter proposal for an increase of \$1.5 million GF for a training needs assessment.

**Corrections Standards Authority**

- Augmented funding by \$201.4 million GF to provide local assistance funding through the Corrections Standards Authority to county probation departments for probation services and to fund local ranch programs. Funding for this program was previously proposed to be provided by federal Temporary Assistance for Needy Families (TANF) funds.
- Approved augmentations totaling \$9.1 million GF and 81 positions to the Corrections Standards Authority to meet increased workload projections for parole revocation hearings consistent with the *Valdivia* Remedial Plan.
- Approved \$110,000 to provide additional staff for the Foreign Prisoner Transfer Program. This funding was vetoed by the Governor.

**5240 DEPARTMENT OF CORRECTIONS**

- Approved a Finance Letter proposal to combine the programs of this department into the new Department of Corrections and Rehabilitation, starting July 1, 2005. Budget Item 5240 has been deleted and the funding and programs have been included within Budget Item 5225 for the Department of Corrections and Rehabilitation.

**5430 BOARD OF CORRECTIONS**

- Approved a Finance Letter proposal to combine the programs of this department into the new Department of Corrections and Rehabilitation, starting July 1, 2005. Budget Item 5430 has been deleted and the funding and programs have been included within Budget Item 5225 for the Department of Corrections and Rehabilitation.

**5440 BOARD OF PRISON TERMS**

- Approved a Finance Letter proposal to combine the programs of this department into the new Department of Corrections and Rehabilitation, starting July 1, 2005. Budget Item 5440 has been deleted and the funding and programs have been included within Budget Item 5225 for the Department of Corrections and Rehabilitation.

**5460 DEPARTMENT OF THE YOUTH AUTHORITY (CYA)**

- Approved a Finance Letter proposal to combine the programs of this department into the new Department of Corrections and Rehabilitation, starting July 1, 2005. Budget Item 5460 has been deleted and the funding and programs have been included within Budget Item 5225 for the Department of Corrections and Rehabilitation.

**5480 COMMISSION ON CORRECTIONAL PEACE OFFICERS STANDARDS AND TRAINING**

- Approved a Finance Letter proposal to combine the programs of this department into the new Department of Corrections and Rehabilitation, starting July 1, 2005. Budget Item 5480 has been deleted and the funding and programs have been included within Budget Item 5225 for the Department of Corrections and Rehabilitation.

**8120 COMMISSION ON PEACE OFFICERS STANDARDS AND TRAINING**

- Approved as budgeted.

**8140 STATE PUBLIC DEFENDER**

- Approved as budgeted.

**8180 PAYMENTS TO COUNTIES FOR THE COSTS OF HOMICIDE TRIALS**

- Approved Budget Bill language to strengthen the reporting requirements for counties that receive homicide trial reimbursements.
- Approved trailer bill language to provide Stanislaus County with reimbursement of 100 percent of the extraordinary costs related to the *People v. Peterson* homicide trial.

**CONTROL SECTION****24.10 TRANSFER SURPLUS OF DRIVER TRAINING PENALTY ASSESSMENT FUND TO THE GENERAL FUND**

- Approved Budget Bill language that would transfer up to \$14 million from the Driver Training Penalty Assessment Fund to the Peace Officer Training Fund and would transfer up to \$4.1 million from the Driver Training Penalty Assessment Fund to the Victim Witness Assistance Fund. Any remaining unallocated funds would be transferred to the General Fund.



# LABOR

## 0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY

- Reduced the agency's budget by \$12,000 (reimbursements) to tie the communications budget to the level of actual expenditures in 2003-04. The agency's communications expenditures received increased scrutiny after \$1,815 was expended on a "video news release" in 2004-05.

## 7100 EMPLOYMENT DEVELOPMENT DEPARTMENT

- Approved Finance Letter adjustments to state operations and benefit payments, to reflect the May 2005 forecast of claims for the Unemployment Insurance Program, the Disability Insurance Program, and the School Employees Fund Program.
- Approved Finance Letter to reduce the department's budget by \$8.7 million (special fund) and 112 positions to reflect a workload decrease in the foreign-labor certification area because that workload has been shifted to the federal government.
- Approved Governor's Budget proposal to augment the department's budget by \$9.1 million (one-time, special fund) and 147 temporary personnel-years to liquidate the benefit audit backlog.
- Modified the Finance Letter proposal related to nursing education to: (1) reduce expenditures on clinical simulators from \$2.5 million to \$750,000 (GF); (2) reduce expenditures for Employment Training Panel (ETP) pre-apprenticeship training from \$5.0 million to \$2.5 million (special fund); and (3) move the proposed \$2.5 million loan-forgiveness program to the California Student Aid Commission. These savings were redirected to higher-priority expenditures in the area of nurse training in the California State University system and the Office of Statewide Health Planning and Development. The Governor vetoed Budget Bill language specifying that the \$2.5 million for ETP would be expended pursuant to future legislation. While the veto message states it does not want to restrict the use of funding to legislation that has not yet been passed by the Legislature, the administration indicates the intent to still expend the funds for nursing-related training.
- Approved a Legislative Analyst compromise recommendation adding provisional language to increase legislative oversight for unspent Workforce Investment Act (WIA) funds or for unanticipated new federal WIA funds.
- Reduced the department's budget by \$348,000 and three positions to reflect the transfer of the department's video production facility to the Department of General Services.
- Approved Governor's Budget proposal to augment the department's budget by \$2.5 million (special fund) and 25 positions (three-year limited-term) to conduct increased enforcement

activities against employers who violate labor laws. The administration indicates it will coordinate this enforcement effort with similar efforts to be undertaken by the Department of Industrial Relations and the Contractors' State License Board.

- Augmented funding by \$3.8 million (\$2.7 million GF) and 50 positions to increase tax collection and audit activities. The administration indicates this will result in an annual GF net benefit of \$8.4 million by 2007-08. The Governor reduced this funding by \$704,000 on a one-time basis, indicating that less than the full amount would be needed in 2005-06 due to lags in new hiring.

## **7120 CALIFORNIA WORKFORCE INVESTMENT BOARD**

- Approved Finance Letter to decrease the Board's budget by \$775,000 and 6.0 positions. This reduction reduces administrative expenditures and the savings becomes available to redirect to local employment training programs.

## **7350 DEPARTMENT OF INDUSTRIAL RELATIONS**

- Approved Finance Letter to re-establish up to 274.3 positions, previously added to implement workers' compensation legislation, which have been vacant more than six months and are subject to elimination by Government Code 12439. The department indicates these positions were kept vacant due to delays in implementing specific components of recent workers' compensation reforms and delays in the hiring process.
- Approved Governor's Budget proposal to augment the department's budget by \$3.0 million (special fund) and 29 positions (three-year limited-term) to conduct increased enforcement activities against employers who violate labor laws. The administration indicates it will coordinate this enforcement effort with similar efforts to be undertaken by the Employment Development Department and the Contractors' State License Board.
- Augmented the department's budget by \$3.0 million (GF) and 32 positions to increase enforcement in the area of minimum wage and overtime law compliance in construction, agriculture, garment manufacturing, janitorial and restaurant employment. Added Budget Bill language specifying the expenditure of this augmentation. The Governor vetoed this augmentation and associated Budget Bill language.

## VETERANS AFFAIRS

### **8955-8966 DEPARTMENT OF VETERANS AFFAIRS AND VETERANS HOMES OF CALIFORNIA**

- Rejected the Governor's Budget proposal to consolidate the headquarters and the three veterans' homes into a single budget unit.
- Approved Finance Letter for a \$97,000 reduction at the headquarters to generate GF savings. The Finance Letter rescinded the Governor's January Budget request for a \$973,000 unallocated GF reduction, some of which would have been taken at the homes.
- Approved Governor's Budget proposal to augment funding by \$100,000 (GF, one-time) to hire a consulting firm with expertise in hospital cost accounting systems.
- Approved Governor's Budget proposal to augment funding by \$446,000 (\$327,000 GF) and 1.0 position for maintenance at the new Northern California Veterans' Cemetery near Redding.
- Approved Governor's Budget proposal to augment funding by \$170,000 (GF, two-year limited term) and 2.0 positions to liquidate the backlog of veterans' claims before the United States Department of Veterans Affairs.